THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI GHULAM NABI AZAD): (a) and (b) Yes, Sir. The Government of Karnataka had asked for increase in the monthly allocation of rice from 50,000 tonnes to 60,000 tonnes;

(c) and (d) The allocation has been raised to 55,000 tonnes for the month May 1987.

Financial assistance to sugar mills in Karnataka

860. SHRI D. B. CHANDRE GOWDA: Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) whether the State Government of Karnataka had recently urged the Central Government to provide financial assistance from the Central Sugar Development Fund Scheme for the sugar factories in Karnataka;

(b) if so, the amount of assistance the Central Government had provided to the State Government during the last 3 years;

(c) whether it is a fact that the Gangavathi Sugar Limited at Raichur in Karnataka is lying closed for the last three years due to financial crisis; and

(d) if so, what steps Government propose to provide assistance and restart the said mill?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI GHULAM NABI AZAD): (a) and (b) Applications from 8 sugar factories in Karnataka for financial assistance from Sugar Development Fund for development of sugarcane were received. On examination, these were found incomplete in regard to material information required in support of the Schemes proposed. All the sugar factories were, therefore, advised to resubmit their applications alongwith full details/information. No application for financial assistance for modernisation/rehabilitation of plant and machinery has been received from sugar factories in Karnataka. As such no financial assistance could be sanctioned to sugar factories in Karnataka.

(c) and (d) According to the information available with the Central Government, the Gangavathi Sugars Limited at Raichur did not commence crushing operations during 1984-85 and 1985-86 seasons, and also till date during the 1986-87 seasons. It is primarily for the management of the sugar factory to ensure its efficient running. However, the sugar mills can obtain loans from Sugar Development Fund administered by the Central Government at concessional rate of interest towards meeting shortfall in promoters contribution for modernisation/rehabilitation of plant and machinery and for development of sugarcane in its command area, subject to the consideration of the completeness and correctness of details furnished and also the satisfaction of priorities and guidelines.

Working of co-operative societies

861. SHRI PAWAN KUMAR BANSAL: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that Government had some time back set up a Committee to go into the question of working of the co-operative societies in the country;

(b) if so, what were the terms of reference and what are the findings/recommendations thereon; and

(c) what follow up action is under Government's consideration at present?

THE MINISTER OF AGRICULTURE (SHRI G. S. DHILLON): (a) and (b) No, Sir. However, a 'Committee on Cooperative Law for Democratisation and Professionalisation of Management in Cooperatives' was constituted on 27th September, 1985 to examine the Cooperative Acts/Rules in the States and to make suitable recommendations to activise democratic process coupled with promotion of professional management of the cooperatives. The Committee has submitted its Report on 10th April, 1987.

Another 'Committee on the Structure and Role of National Cooperative Societies' was set up on 16th April, 1986. (i) to assess the performance of the national level cooperative federations; (ii) to exa-

mine the membership of the national level federations, composition of their Board of Management and broad administrative arrangements for providing services to the constituents; and (iii) to indicate the directions in which re-organisation and re-orientation are necessary in respect of existing federations and those that may be established hereinafter in the context of emerging needs and trends and role of the cooperatives in overall development, particularly in rural areas. The Committee has submitted its Report on 26th March, 1987. The broad recommendations of the said two Committees are given in the attached statement I and II respectively (*See* below).

(c) The report will be examined in consultation with the State Governments and national level federations.

Statement-I

Broad recommendations of the Committee on Cooperative law for Democratisation and Professionalisation of Management in Cooperatives

The Committee on Cooperative Law for Democratisation and Professionalisation of Management in Cooperatives set up by the Ministry of Agriculture to examine various States Cooperative Societies Acts/Rules and suggest guidelines for legislative action to activise the democratic process and promote professional management in the cooperatives has recommended deletion of various old provisions in the cooperative legislation in the States which had lost their relevance and has suggested measures to confer complete autonomy on cooperatives in their operations.

The report which was submitted on 10th April, 1987 has recommended the deletion of certain provisions in the State Acts such as those relating to compulsory amendment of bye laws of a society, the power of the Registrar to direct amalgamation or division of societies against the will of the members and the power of veto to the Government nominees on the boards of societies.

The Committee has also recommended that the power of the State Government or the Registrar to rescind or annual resolutions of the Board of Directors of the Society and the general power of issue of directives by the Government should be taken away.

The Committee felt that the power of supersession of the board of management of cooperatives has often been misused and recommended that this important power should be exercised sparingly and that too in consultation with the federal organisations. Whenever a board of management is superseded the reasons should be recorded in writing and the period of supersession should not exceed one year in aggregate with no power to extend the period.

Recommending depoliticisation of cooperatives, the Committee has said that holding of office by a Minister in cooperative societies should be ruled out in all circumstances. It has also suggested that members of Panchayat Raj institutions, local bodies, legislative assemblies and councils and Members of Parliament elected or nominated to hold offices in cooperatives should be required to choose between the two.

The Committee has also recommended that the strength of Government nominees on the boards of cooperatives in the context of State partnership should be limited to three or one-third of the total number of members whichever is less and that under no circumstances should the Government nominate cooperative or political leaders as their nominees.

With regard to professionalisation of management the Committee has suggested several measures, the important of them being demarcation of powers and functions of the Board and the chief executive.

The Committee has held the co-option of members on the Board to be undemocratic and has also recommended the deletion of the position of Vice-Chairman which in its view is superfluous.

Statement-II

Broad Recommendations of the Committee on the Structure and Role of National Cooperative Societies

The role of the national level cooperative federation should be complementary

to, and not competitive with, the state federations.

After a detailed assessment of the performance of fourteen national cooperative federations the Committee held the view that it would be fallacious to create the national level federations first and then to establish the middle and other levels. The cooperative structure at the grassroot level and above has to be built up patiently and with people's participation.

The complementary role of public sector organisations like National Cooperative Development Corporation, National Dairy Development Board/Indian Dairy Corporation and NABARD *vis-a-vis* the national federations was duly appreciated by the committee which has suggested that wherever feasible, a process could be initiated for transference of federal responsibility from a National corporate organisation to a national cooperative federation, as in the case of NDDB on the one hand and the National Cooperative Dairy Federation on the other.

Stressing the need for professionalisation of cooperative management, the committee recommended that the National Council for Cooperative Training should be set up as a separate agency for cooperative training. Even the national federations ought to play a more active role in providing professional training within their respective sectors.

The Committee affirmed the view that in all national level federations, only state level cooperatives should be members. Further, it suggested that strength of the board of management of these federations should not exceed fifteen, including the chairman.

Highlighting the need for depoliticisation, the committee felt that 'the present situation demands more than ever before that some steps should be taken to delink the cooperative movement from active politics'. The committee has suggested that the chairman should have no executive powers.

Production of Steel

862. SHRI KAPIL VERMA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether there is a shortfall in the target of production of saleable steel by SAIL plants in 1986-87, if so, what are the details thereof and the reasons therefor; and

(b) what are the highlights of the corporate plan framed by SAIL and what is the likely financial outlay thereof?

THE MINISTER OF ENERGY AND THE MINISTER OF STEEL AND MINES (SHRI VASANT SATHE): (a) Except for Durgapur and IISCO, the other steel plants of SAIL were not able to achieve their saleable steel production targets in 1986-87:—

(000' *Tonnes*)

Plants	Target	Actual	Percentage achievement of target
Bhilai Steel Plant	2600	2150	83
Durgapur Steel Plant	750	751	100
Rourkela Steel Plant	1225	1140	93
Bokaro Steel Plant	2120	1744	82
Indian Iron & Steel Company Limited	525	526	100
SAIL :	7220	6312	87